



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

August 13, 2012

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From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position to Support and Amend AB 1585 (Pérez).** This bill would modify ABX1 26 of 2011 to allow a local housing authority to transfer housing functions assigned by a city or county of a former Redevelopment Agency to the California Department of Housing and Community Development, if the local housing authority selected does not accept the housing functions or makes a determination to no longer assume this responsibility. Therefore, consistent with the Board directive of January 17, 2012 to take actions which are necessary to successfully implement the requirements and goals of ABX1 26 of 2011 and existing Board policy to seek to minimize the adverse impact of State actions, **unless otherwise instructed by the Board, the Sacramento advocates will support AB 1585 and request that it be amended to provide adequate administrative funding for a local housing authority assuming the role of housing successor agency.**
- **County-sponsored AB 259 (Smyth).** This measure, which would expand the job qualifications for applicants to the position of the Los Angeles County Public Defender, **failed on the Senate Floor by a vote of 19 to 15 on August 9, 2012. The measure was granted reconsideration.**

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- **Status of County-Advocacy Measures.** The Senate and Assembly Appropriations Committees took action on seven County-advocacy measures as outlined below and placed other County-advocacy measures on the suspense file due to costs. These committees must act on all measures placed on the suspense file by August 16, 2012. Two County-advocacy measures passed the Senate Floor.
 - **County-supported AB 1124 (Skinner),** which would modify provisions related to a landlord's duties regarding rental housing, minimum requirements for rental housing to qualify for utility energy savings assistance programs or for heating or hot water system repairs, passed the Senate Floor by a vote of 38 to 0 on August 9, 2012. This measure now proceeds to the Assembly for concurrence in Senate amendments.
 - **County-supported AB 1623 (Yamada),** which would extend the authority of county board of supervisors to charge an annual registration fee to cover cost of the county sealer for three additional years to January 1, 2016, passed the Senate Floor by a vote of 27 to 9 on August 9, 2012. This measure now proceeds to the Assembly for concurrence in Senate amendments.

Pursuit of County Position on Legislation

AB 1585 (Pérez), which as amended on August 6, 2012, would modify provisions of ABX1 26 of 2011(Chapter 5, Statutes of 2011) related to the transfer housing functions, excluding enforceable obligations retained by the successor agency and any amounts in the Low and Moderate Income Housing (LMIH) Fund, if a city or county that created the former Redevelopment Agency (RDA) chooses not to assume the housing responsibilities of a former RDA. The bill would also appropriate \$50.0 million of bond proceeds issued under the Housing and Emergency Shelter Trust Fund Act of 2006 to California Department of Housing and Community Development (CDHCD) for infill incentive grants and for transit-oriented grants and loans.

Specifically, AB 1585 would transfer to the CDHCD, all rights, powers, assets, duties, and obligations associated with the housing activities, excluding enforceable obligations retained and any amounts in the LMIH Fund, if the local housing authority selected by the city or county does not accept the responsibility for performing housing functions. Additionally, if a local housing authority accepted the housing functions between February 1, 2012 and December 31, 2012, and it later determines that to continue to assume the housing functions will cause a financial hardship, then it may by a super

majority vote of its commission resolve to no longer perform this function and the responsibility for the housing activities would be transferred to CDHCD. This determination must be made by the local housing authority by February 15, 2013.

AB 1585 would also create the State Low and Moderate Income Housing Trust Fund as a continuously appropriated fund within the State Treasury for expenditure by CDHCD for the purpose of increasing the supply of low- and moderate-income housing. Funds would be awarded on a competitive basis to projects within the counties in which the funds were collected. Priority would be given to eligible projects for extremely low, very low, and low-income projects.

ABX1 26 of 2011 dissolved RDAs on February 1, 2012 and requires successor agencies to principally wind down the affairs of former RDAs. Existing law allows the city or county that authorized the creation of a RDA to retain the housing assets, functions and powers previously performed by the RDA, excluding amounts on deposit in the LMIH Fund and enforceable obligations retained by the successor agency. Current law also requires the entity that assumed the housing functions to submit to the Department of Finance (DOF) by August 1, 2012, a list of all housing assets, as specified.

Additionally, under current law, if a city or county elects not to retain the responsibility for performing housing functions, the housing assets and functions, excluding enforceable obligations retained by the successor agency and any amounts in the LMIH Fund, are transferred to: 1) the CDHCD, if there is no local housing agency in the territorial jurisdiction of a former RDA; 2) the local housing authority, if there is one housing authority in the jurisdiction; and 3) the local housing authority selected by the city or county that created the RDA, if there is more than one housing authority in the jurisdiction.

The Community Development Commission (CDC) indicates that five cities initially assigned the Housing Authority of the County of Los Angeles (HACoLA) responsibility for housing assets and functions of their former RDAs. The cities of Arcadia, Azusa, Agoura Hills, San Gabriel, and Huntington Park have indicated their intention to transfer their housing functions and assets. Because of HACoLA's long-standing arrangements to administer the Section 8 Housing Choice Voucher Program and other housing programs in these cities, it appears that HACoLA could be compelled to accept the housing functions and assets of the former RDAs. CDC also notes that Agoura Hills has attempted to reverse their initial decision to designate HACoLA as responsible for housing assets and functions apparently due to provisions in AB 1484 (Chapter 26, Statutes of 2012), the Redevelopment Trailer Bill, that could allow the city to retain control of bond proceeds.

According to the Community Development Commission, there was no requirement that these cities notify HACoLA that they were making this decision, nor any prerequisite that they disclose to HACoLA what assets and functions were intended to be transferred. CDC indicates that HACoLA reported to the DOF by August 1, 2012 what it understood to be the housing assets to be assumed, noting on the forms that these assets were only intended to be transferred by these five cities. No formal recording of documents or assignment of loans or responsibility has actually taken place.

Additionally, the Community Development Commission expresses several concerns regarding the administration of housing assets and functions transferred to HACoLA, including that it is not known if the transfer of assets was by "operation of law" or whether or not formal transfers would need to occur. CDC also notes that ABX1 26 of 2011 is silent on whether a city could rescind its decision to assign housing assets and functions to a local housing authority. Furthermore, CDC indicates that redevelopment dissolution law does not provide any direction as to whether or not a local housing authority could decline the assignment of housing assets and programs, or conversely, if a city could force a local housing authority to take responsibility for performing housing functions including problematic projects and assets.

Should AB 1585 be enacted, CDC indicates that it would further clarify that local housing authorities may decline the assignment of former RDA housing assets and programs. According to CDC, the deadline of February 15, 2013 proposed by AB 1585 for local housing authorities to decide whether or not to continue to assume these additional responsibilities should provide a sufficient amount of time for HACoLA to evaluate the best course of action for the County in light of HACoLA's existing mission and limited resources and for its commission to consider its recommendations and for the Board to make a determination.

The Community Development Commission, the Housing Authority of the County of Los Angeles and this office support AB 1585 and request that it be amended to provide funding for the administration of transferred housing assets and functions. Therefore, consistent with the Board directive of January 17, 2012 to take all actions which are necessary to successfully implement the requirements and goals of ABX1 26 of 2012 and existing Board policy to seek to minimize the adverse impact of State actions, **unless otherwise instructed by the Board, the Sacramento advocates will support AB 1585 and request that it be amended to provide adequate administrative funding for a local housing authority assuming the role of housing successor agency.**

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AB 1585 is supported by Bridge Housing, California Association of Housing Authorities, California Association of Local Housing Finance Agencies, California Housing Consortium, Commercial Investment Services, First Community Housing, John Stewart Company, Non-Profit Housing Association of Northern California, Oakland Tenants Union Resources for Community Development and Tenderloin Neighborhood Development Corporation. There is no registered opposition on file.

AB 1585 was placed on the Senate Appropriations Committee suspense file on August 13, 2012.

Status of County-Sponsored Legislation

County-sponsored AB 259 (Smyth), which as amended on June 25, 2012, would expand the job qualifications for applicants to the position of the Los Angeles County Public Defender to include sitting or retired judges, judicial commissioners, magistrates, referees or elected public officials, failed on the Senate Floor by a vote of 19 to 15 on August 9, 2012. Reconsideration was granted.

Status of County-Advocacy Legislation

County-supported AB 1124 (Skinner), which as amended on June 12, 2012, would modify provisions related to a landlord's duties of habitability and would clarify that the minimum requirements for rental housing do not preclude a tenant or owner of rental properties from qualifying for a utility energy savings assistance program or other program assistance for heating or hot water system repairs or replacement that would achieve energy savings, passed the Senate Floor by a vote of 38 to 0 on August 9, 2012. This measure now proceeds to the Assembly for concurrence in Senate amendments.

County-supported AB 1325 (Lara), which as amended on July 2, 2012, would, commencing January 1, 2014, require persons at the time of filing Fictitious Business Name (FBN) statements to provide proof of identity in the form of a California driver's license or other identification acceptable to the county clerk, who may also request an affidavit of identity and other formal documents, was deemed to have no significant fiscal impact by the Senate Appropriations Committee Chair on August 6, 2012. This measure now proceeds to the Senate Floor.

County-support and amend AB 1569 (Allen), which as amended on July 3, 2012, would extend the sunset date for Laura's Law to January 1, 2017 to permit counties to continue to provide court-ordered outpatient treatment for persons with serious mental illnesses who are likely to become a danger to themselves or others, passed the Senate

Appropriations Committee on August 6, 2012 on consent. This measure now proceeds to the Senate Floor.

County-supported AB 1623 (Yamada), which would extend the authority of county board of supervisors to charge an annual registration fee to recover the costs of the county sealer from January 1, 2013 to January 1, 2018, among other provisions, was amended on August 6, 2012, to instead extend the authority of county board of supervisors to charge an annual registration fee for three additional years to January 1, 2016. This measure passed the Senate Floor by a vote of 27 to 9 on August 9, 2012 and now proceeds to the Assembly for concurrence in Senate amendments.

County-supported AB 1907 (Lowenthal), which as amended on August 6, 2012, would reduce the timeframe for jail inmates to receive psychiatric medications to improve their mental health, while ensuring the inmate's due process rights, passed the Senate Appropriations Committee on August 6, 2012 on consent. This measure now proceeds to the Senate Floor.

County-supported AB 2109 (Pan), which as amended on June 20, 2012, would change the process which allows parents of school-aged children to claim a Personal Belief Exemption from immunization requirements for entry to childcare and school, passed the Senate Appropriations Committee by a vote of 5 to 2 on August 6, 2012. This measure now proceeds to the Senate Floor.

County-supported AB 2026 (Fuentes), which as introduced on February 23, 2012, would extend for five years the requirement that the California Film Commission annually allocate tax credits to qualifying motion pictures through FY 2019-20, passed the Assembly Appropriations Committee by a vote of 16 to 0 on August 8, 2012. This measure now proceeds to the Assembly Floor.

County-supported AB 2062 (Davis), which as amended on May 25, 2012, would permit all filers of the Statement of Economic Interests (Form 700) to submit statements electronically in accordance with Fair Political Practices Commission regulations, and would require local government agencies intending to use an electronic filing system to pay a fee of \$1,000 along with their initial system proposal, passed the Senate Appropriations Committee by a vote of 7 to 0 on August 6, 2012. This measure now proceeds to the Senate Floor. AB 2062 is an urgency measure and would be effective immediately, if enacted by the Legislature and signed by Governor Brown.

County-supported SB 1044 (Liu), which as amended on March 19, 2012, would repeal the Library of California Act of 1998 and make conforming changes to the California Library Services Act of 1977 relating to the administration of public libraries,

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passed the Assembly Appropriations Committee by a vote of 17 to 0 on August 8, 2012. This measure now proceeds to the Assembly Floor.

Appropriations Committees' Suspense File. At hearings conducted on August 6, 2012 and August 8, 2012, the Senate and Assembly Appropriations Committees placed several bills, including some County-advocacy measures; on the suspense file due to costs to the State. The committees must act on these bills by August 16, 2012. This office will provide an update on the Committees' action on County-advocacy bills at that time.

We will continue to keep you advised.

WTF:RA
MR:VE:IGEA:ma

c: All Department Heads
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